

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE  
COMMISSION

In the Matter of:

INQUIRY INTO THE USE OF CONTRACT SERVICE)  
ARRANGEMENTS BY TELECOMMUNICATIONS )  
CARRIERS IN KENTUCKY )

CASE NO.  
2002-00456

**FOOTHILLS RURAL TELEPHONE COOPERATIVE CORPORATION, INC.  
RESPONSE TO COMMISSION ORDER DATED DECEMBER 19, 2002**

On December 19, 2002, the Kentucky Public Service Commission ("Commission") initiated Administrative Case No. 2002-00456 for the purpose of examining the use of contract service agreements (CSAs) by telecommunication carriers in Kentucky. In initiating PSC Case NO. 2002-00456, the Commission requested interested parties including incumbent local exchange carriers to respond to a number of questions and additionally provide for the option for those companies not wishing to participate in this proceeding to request to opt-out of the proceeding. With this filing Foothills Rural Telephone Cooperative Corporation, Inc. responds to the questions posed by the Commission.

Question #1:

Each telecommunications carrier named in the service list hereto shall respond to the information requested in Appendix C of said case no later than February 5, 2003 or, in the alternative, shall file with the Commission a statement that it does not wish to participate in this proceeding, together with a full explanation therefore.

Response #1:

Foothills Rural Telephone Cooperative Corporation, Inc. did not enter into any CSAs during 2001 and 2002, and does not anticipate entering into any CSAs in the near future.

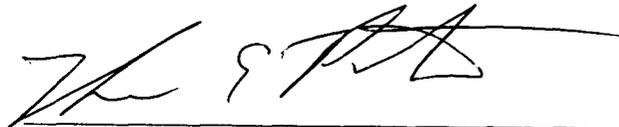
Question #2:

Each telecommunications carrier named in the service list hereto shall comply with the procedural schedule in Appendix B hereto or, in the alternative, shall file with the Commission a statement that it does not wish to participate in this proceeding.

Response #2:

Foothills Rural Telephone Cooperative Corporation, Inc. requests to be released from participation in this proceeding because it does not currently utilize CSAs, does not anticipate using CSAs in the near future and seeks to avoid the administrative, legal and regulatory costs of participating in this docket.

Respectfully submitted,



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